The A. F. of L. Weekly News Service gives news accounts and editorial interpretations of matters affecting labor occurring in the industrial, legislative, and judicial fields, and contains other information of benefit to the trade union movement.

AMERICAN FEDERATION OF LABOR
WEEKLY NEWS SERVICE

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WE PLEDGE—
1 MILLION DOLLARS
WAR SAVINGS BONDS
FOR VICTORY

NO. 1777 WILLIAM GREEN, President WASHINGTON, D. C., TUESDAY, MAY 1, 1945 GEORGE MEANY, Secretary-Treasurer VOL. 35, NO. 18

BRETTON WOODS

BY WILLIAM GREEN
President, American Federation of Labor

(This statement was presented by Mr. Green at a public hearing of the House Committee on Banking and Currency):

The American Federation of Labor, in accordance with its stated policy of supporting a world organization to aid in resolving differences between nations and in bringing about a lasting peace, recommends that the Congress accept the Bretton Woods Agreements, with necessary clarification and safeguards, as of vital importance in implementing the functions of such a world organization. We take this position because we experienced after the First World War the alternatives to cooperative action in this field, and we know they would bring even more direful consequences now.

We realize also that exchange controls and loans are only one key to resumption of world trade and rehabilitation of economics destroyed or damaged by the war. We need also economic agencies for reconstruction.

It will be necessary to take action in other important fields, such as food, cartels, surplus commodities, aviation and others, and it is not to be expected that the Bretton Woods Agreement alone will afford a complete solution to postwar chaos in international trade. We do believe, however, that these agreements can make a substantial contribution towards solving immediate and long-term problems of exchange and international investment.

Our main reasons for urging acceptance are as follows:

1. While we believe that the chief source of prosperity in this country lies in maximum productive employment which would support greatly enlarged markets for our home use, we also believe that an additional source lies in expanding international trade.

2. It is particularly important for a small country to have an opportunity to satisfy its economic needs through international agencies, instead of being forced in reason to bilateral agreements with a dominant power. These bilateral economic agreements might well bring the small country within the political orbit of the dominant power, thus jeopardizing its national integrity and independence.

3. Experience with international investments in the period between the two wars has demonstrated the need for international understandings and cooperation instead of blind competition. In the long run investments will be repaid with goods. Nevertheless, during the period international investments were often derailed to developments which were not productive of goods, such as balancing of accounts, housing projects, etc. There was an additional handicap of repayment because of high rates of interest. The result was repudiation of debts or depreciation of currency with loss to the investor. Under the Bretton Woods Agreements the investor is insured against loss on both by the bank and the country of the borrower, after the bank has assured itself that the loans are to be used for productive purposes. One great cause of potential ill-feeling or ill-will between nations is eliminated by making the debtor country responsible to the bank rather than directly to the loaning country. An additional safeguard is provided in that each government is authorized to prevent its currency from being loaned if it regards the loan as insecure. All losses are shared, thus reducing the loss to any one country.

4. The policy followed between the wars of nationalistic trade and competitive currency depreciation, fostered depressions, discriminatory control of foreign exchange, bilateral agreements for barter, high tariffs, controlled reduction of imports, dumping, and similar forms of economic warfare, did in some cases aid temporarily in solving domestic problems for individual countries but in the long run contracted international trade and lowered the standard of living in all countries and strengthened political trends toward isolation. The proposed fund provides a plan for the elimination of such practices and the gradual restoration of the orderly and stable exchange relations and the essential to expanding international trade. It has been recognized that equitable exchange rates cannot be determined immediately because of the present disruption of international trade. The fund provides that changes may be made in the agreements, permitting gradual relaxation of wartime exchange and currency controls, as well as limited currency devaluation. The fund should aid nations in relief.

5. It is to the advantage of workers that the currency of their country be stabilized, that inflation or deflation be avoided, and that their wages and their savings should not be destroyed by violent fluctuations. In the past there have been such losses to the workers and their families because of the inability of their countries to maintain a short-term basis in bad years to pay for the imports which in good years would balance their exports. Their governments, without an international fund from which to borrow were forced to resort to such expedients as limiting imports, increasing taxes, fostering a depression, or devaluating their currency.

6. If the United States does not ratify these agreements we may be accused of bad faith by the people who are relying on us for aid in their restoration and misery. On the other hand, our acceptance of these agreements may engender goodwill and will be a strong force in the mutual settlement of other international problems.

The American Federation of Labor believes that it is both a matter of human decency and also a matter of enlightened self-interest on the part of the United States to share through the bank in restoring the prewar economic status of our Allies. They need aid on a self-respecting basis in restoring their essential productive facilities and in stabilizing their currencies during the period of restoration. Some of our Allies are practically bankrupt as a result of war devastation and of their need to liquidate all available assets. Until their productive capacity is restored and increased they cannot engage in extensive international trade nor can they pay with exports for their imports. Restoration will and higher standards of living in all countries, including our own. To achieve these purposes would constitute a contructive investment even if the loans were not repaid.

Authorization should be given to the bank to make either short-term or long-term loans to countries needing them for general economic stabilization in addition to loans for specific reconstruction or development projects, under safeguarding guarantees as provided elsewhere in the agreement. In the Articles of Agreement, International Bank for Reconstruction and Development, Article III, Section 4 (vii), it is provided that "the bank shall be guaranteed by the bank shall, except in special circumstances, be for the purpose of specific projects of reconstruction or development." At the recent hearings before the House Banking and Currency Commitee, one of our delegates to the Bretton Woods conference testified that the phrase "except in special circumstances" was included to cover small general reconstruction and stabilization loans. The authority of the bank to make these loans should be clarified. We recommend, therefore, that this provision "except in special circumstances" be expanded to include specific authorization to the bank to make these general restoration and stabilization loans.

We realize that the Bretton Woods proposals to stabilize rates must be supplemented by efforts to expand the markets for the products of the world's domestic financial system of each country, followed by efficient marketing of products at home and abroad, and constantly increasing consumer purchasing power with greater production. High levels of productive employment cannot be maintained by individual countries without cooperation between countries to sustain the effects of economic waves. Nor can countries progressively higher standards of living for the people of all countries. When efforts are made to eliminate obstacles to trade between nations, workers must be assured that lower tariffs do not mean lower labor standards.

The one special organization which labor helped to create and to which we have entrusted the protection and advancement of labor standards and welfare is the International Labor Organization. This organization must be continued and authorized to protect our interests in connection with operations of the bank and the fund and coordinate economic programs. The International Labor Organization must be preserved with its present independence and with its present capacity for service. We recommend that Congress provide policy on the bank and fund directing our representatives to insist that consultation with the International Labor Organization be made a basic administrative procedure before deciding upon policies and use of funds.

We also recommend that our government's representatives should be instructed to insist that the bank, in considering loans for reconstruction and development projects, should include in any contract standard labor provisions requiring that the recipient of the loan must give minimum guarantees of welfare on the work including observance of the labor laws and requirements of the country and locality, and to generally observe safety and health standards, and in general, the labor standards recommended by the International Labor Organization.

Fair labor standards guarantee the welfare of workers and therefore increase productivity, promote justice, economic stability and prosperity. These purposes are an implementation of the expressed objectives of the Bretton Woods proposals.

The functioning of the bank and the fund will be no better than the men administering them. Wisdom, foresight, judgment and broad experience as a basis of cooperation will be needed if these international institutions are to perform their part in an expanding world prosperity and peace. We urge that the selection of our representatives be kept entirely out of politics, and in consultation with representatives of the main functional organizations of our economy which are vitally concerned.

Green Confers With Pres. Truman On Chief Problems Facing Workers

Washington, D. C.—Problems relating to the need for speedy reconversion were discussed by AFL President William Green with President Harry S. Truman at a White House conference.

It was the first meeting Mr. Green had held with President Truman since the latter became the nation's Chief Executive after the death of Franklin D. Roosevelt.

President Truman, when informed that the AFL Executive Council would be in session in Washington, expressed a desire to meet the federation's officers and an appointment for such a conference was arranged.

Despite constant reports published in the press, it was considered likely that President Truman would make no immediate appointment of a new Secretary of Labor or any other Cabinet changes.

Mr. Green indicated he was highly pleased by his talk with the President, who showed a deep concern over the possibility of extensive unemployment in the period between cancellation of war contracts and the resumption of large-scale peace production. He agreed with Mr. Green that it is vital to the nation's interests to hasten the reconversion process and attain full employment in the shortest possible time after complete victory is won.

United Nations Reject Soviet Bid To Seat Leftist Labor At Parley

San Francisco.—The United Nations Conference on International Organization overwhelmingly rejected a Soviet proposal to grant advisory status to the so-called World Trade Union Congress.

Soviet Foreign Commissar Molotov revealed that his delegation had been forced to withdraw the request in the face of opposition from the United States and British delegations.

Asked how the American Federation of Labor regarded his proposal, Mr. Molotov told newspapermen at a press conference:

"I haven't asked the AFL."

(In Washington, AFL President William Green told reporters that the so-called World Trade Union Congress is a "fictitious" organization, with which the AFL has refused definitely to affiliate. "No such world labor organization has been formed," Mr. Green said. "It is non-existent. An attempt was made to create it at a London conference several months ago. The group failed to agree on organization and on a constitution. Another meeting was held in Washington two weeks ago. That also failed. Another meeting is now being held in Oakland, Cal., and still no agreement is forthcoming. The AFL is uncompromisingly opposed to the extension of recognition to such a fictitious group." Asked to comment on the significance of the Soviet delegation seeking recognition for the group, Mr. Green countered with the question: "Why should the Russian make such a proposal?"

Meanwhile the American Federation of Labor went on record at the United Nations Conference in favor of a "strong, democratic and fully representative international organization to be established on the foundations of justice and social progress for the maintenance of lasting world peace.

Robert J. Watt, AFL consultant to the U. S. delegation, declared that lasting peace can be attained only if the Security Council of the proposed international organization is authorized to review promptly any situation which threatens the peace and "to pass judgment on such disputes with the application of any sanctions necessary to enforce equitable decisions."

The same rules must "apply equally" to all member nations, Mr. Watt emphasized. He added:

"The rule of justice should be superior to the possible temporary interest of any country, including our own."

Mr. Watt also urged that the principles of the Atlantic Charter, the Philadelphia Charter adopted by the International Labor Organization and the Act of Chapultepec adopted at Mexico City "be reaffirmed and accepted as guiding principles" by the new international peace organization.

The International Labor Organization, Mr. Watt proposed, should be the major economic and social agency of the world peace organization. The ILO, he pointed out, is an organization of nations, with representatives from government, management and labor. Pointing to the ILO's achievements over the last twenty years, Mr. Watt called it the "best international agency yet devised" in the economic field.

Acting ILO Director Edward J. Phelan headed a five-man delegation representing the ILO here. He said it had been invited to have the delegation here "for consultation on matters which may arise during the conference."

Assistant Secretary of Labor Dan W. Tracy is serving as an adviser to the U. S. delegation here. He formerly was president of the AFL's International Brotherhood of Electrical Workers. Mr. Tracy represents the Department of Labor at the conference, not organized labor.

HOLD FOR RELEASE
AFL Council Hails V-E Day

(The following story must be held for release on official announcement of V-E Day—Ed. Note.)

Washington, D. C.—The AFL Executive Council greeted the announcement of V-E Day with the following statement:

"Hail to the glorious victory in Europe! Hail to the brave men in our armed forces whose hard fighting made victory possible! Hail to the great masses of American workers, whose untiring efforts supplied our armed forces and those of our Allies with superiority in weapons and equipment!

"Let us remember that permanent victory in Europe requires more than military action. Let us concentrate now on making that victory fully significant by destroying the hateful things Hitler stood for and by establishing enduring peace.

"And let us also remember that thus far we have won only half the battle. In other half still remains in the Pacific. Plenty of hard fighting and hard work will be required until Japan, too, surrenders unconditionally. Labor will not pause or relax until the entire job is completed and final world-wide victory is won."

THE AFL PRESENTS . . .
'BUILDERS OF VICTORY'
The Dramatic Story of Labor's Own Seabees
OVER CBS—EVERY SATURDAY—3:45 P.M., E.W.T.

Prompt Reconversion Urged By AFL Executive Council

Executive Council's Statement

Washington, D. C.—The AFL Executive Council called for prompt action on reconversion in the following statement:

Events again have proved the wisdom of the American Federation of Labor's unfaltering and unalterable opposition to the enactment of compulsory manpower legislation.

The defeat of this legislation in Congress has not injured the war production program. On the contrary, production records were broken and schedules exceeded in the month of March, according to official announcement.

Nor has the absence of compulsory labor controls resulted in more manpower shortages, as many official authorities predicted. The opposite is true. In recent weeks, several cities have been taken off the critical list and manpower needs are being met in every important war industry.

Finally, and most important of all, voluntary labor in America has succeeded in backing up the victory forces on the (1) battle fronts with amazing success. Our armed forces have not lacked materials or equipment. In fact, the overwhelming superiority of their equipment has proved the decisive factor in winning the war in Europe and in turning the tide against Japan.

Today we hear no more talk of the need of forced labor.

Already, the War Department has made substantial cutbacks in airplane production. One of the largest factories in the nation which formerly operated around the clock is going back to one-shift, 40-hour-week schedule. Shipyards are now getting no new orders and the Maritime Commission is planning to wind up most of its shipbuilding program by the end of the year. The end of the war in Europe means that the war production program generally will be cut in half within a few months.

Under these circumstances, it is imperative that a large-scale reconversion program be undertaken at once. American industry must be given enough advance notice of cancellation of war contracts so that it can proceed without unnecessary delay to put into effect plans for peacetime production which will provide jobs for displaced war workers and returning servicemen. Unless the reconversion process is expedited, mass unemployment will grip America in 1945 and purchasing power will be reduced to such a low point that extension of postwar production will be blocked.

Immediate action is also required by Congress and by Federal agencies to protect workers in the interim period. President Truman, when serving as a Senator during the last session of Congress, sponsored reconversion legislation which provided far more adequate unemployment compensation than is available at present. This measure was defeated, but the Executive Council feels that it should be revived at this time and that it would be most fitting for the President to recommend it to Congress.

Production cutbacks are bound to eliminate the overtime pay on which most workers have relied during the past two years to offset increased living costs. The National War Labor Board must take cognizance of this critical situation and order immediate revision of the Little Steel Formula, so that frozen wage rates can be adjusted to make up for the loss of overtime pay. The Executive Council will deal with the subject of wage rates in more detail during the next few days, but it takes this opportunity to warn the National War Labor Board that further delay will be dangerous to the nation's postwar economy.

Council Adopts Tribute to FDR, Calls For Full Support to Truman

Washington, D. C.—The AFL Executive Council adopted, as its first action at the current Spring session, the following resolution:

"The Executive Council wishes to record its profound sorrow over the untimely passing of America's great leader, Franklin D. Roosevelt. The seven million members of the American Federation of Labor feel a personal loss in his death and will always revere his memory. In war, as in peace, he proved himself a true friend of the nation's wage earners.

"America is fortunate in having Harry S. Truman available to take up the reins of government. Already President Truman has demonstrated in full measure the qualities of courage, forthrightness and commonsense which commended him to the approval of the American Federation of Labor during his distinguished service as a United States Senator from Missouri. Lesser men might have faltered in the crisis, but President Truman's prompt and determined assumption of leadership has inspired world confidence in American unity.

"President Truman has asked for and must receive the united support of the entire nation in meeting the grave problems that must be overcome before we can achieve victory in the war and secure an enduring peace. The Executive Council pledges to him the full and unswerving loyalty and devotion of the officers and members of the American Federation of Labor."

Davis Gives NWLB Wider Authority To Award Increased "Fringe" Pay

Washington, D. C.—William H. Davis, Director of Economic Stabilization, issued a directive to the War Labor Board which substituted discretionary authority for rigid standards in passing on so-called "fringe" or non-basic wage adjustments.

The directive supplements one issued on March 8 by Fred M. Vinson just before he left the Office of Economic Stabilization. It sets up stabilizing limits on wage adjustments such as night shift premium pay, but permits exceptions either above or below the limits where special circumstances. In all cases where prices to the public or costs to the government are affected the adjustments are subject to approval of the stabilization director.

Shift differentials in industries with necessarily continuous operations are to be 4 cents an hour for the second shift and 6 cents for the third, which is the present WLB policy. In industries where operations by their nature are not necessarily continuous the premium pay is 4 cents and 6 cents per hour for the second and third shifts, respectively. The stabilizing limits for vacations are one week after one year of service and two weeks after five years' service.

The directive said that adjustments higher or lower than these limits "may be approved if the board finds that the amount of the adjustment follows an already established 'clear and well-defined practice' in the industry or in the area."

The limit of one cent per hour, or 1 per cent, on reclassifications and job evaluations (except in "rare and unusual cases") also was relaxed to the extent that "rare and unusual" will be interpreted to mean "exceptional cases of intrapiant inequities."

The directive also authorized the WLB to approve or direct "other non-basic rate wage adjustments or changes in the existing conditions affecting earnings in cases where the board finds (1) that the inequities adjusted or changes are in accordance with the substantial practice in the industry or the area which it would be inequitable not to follow in the particular case and which would be unstabilizing to the area or industry, or (2) that they are equitably required to meet a special or unique situation or problem within a company or industry and consequently are not of a precedent-making character."

TRUMAN ENDORSES BILL ON RAIL RETIREMENT

Washington, D. C.—President Truman gave his indorsement to legislation that would liberalize the railroad retirement and unemployment compensation law with the exception of the rail labor group which called at the White House.

The late President Roosevelt had strongly supported the legislation.

David B. Robertson, president of the Brotherhood of Locomotive Firemen and Enginemen, told newsmen that Mr. Truman "assured us he would give the matter his serious consideration and that there would be a change in President Roosevelt's policy in support of the measure."

FDR BIRTHDAY TO BE HOLIDAY FOR AFL UNION

Philadelphia.—The Upholsterers' International Union of North America has established Franklin D. Roosevelt's birthday, Jan. 30, as a holiday to be observed throughout the nation by local unions affiliated with the organization.

Sol D. Hoffman, International President of the UIU, announced the national policy had been set by unanimous vote of the organization's General Executive Board meeting here.

To implement the policy and make it effective, the board directed that all local unions obtain recognition of the holiday from employers as a clause in all new contracts to be negotiated and in all renewals of current contracts.

Mass Unemployment Threatens If Action Is Delayed, Council Says

Washington, D. C.—Warning that further delay may result in widespread unemployment before the year is out, the AFL Executive Council urged the government to speed up reconversion now.

The call for action marked the opening of the council's Spring session in the nation's capital which was tensely awaiting official announcement of V-E Day.

Smashing military victories in Europe already have brought about substantial cuts in war production, the executive council pointed out, and may mean that the war production program will be slashed in half within a few months.

"Under these circumstances," the council declared, "it is imperative that a large-scale conversion program be undertaken at once. American industry must be given enough advance notice of cancellation of war contracts so that it can proceed without unnecessary delay to put into effect plans for peacetime production which will provide jobs for displaced war workers and returning servicemen. Unless the reconversion process is expedited, mass unemployment will grip America in 1945 and purchasing power will be reduced to such a low point that expansion of postwar production will be blocked."

The council called upon President Truman to offset the shrinking of purchasing power by urging upon Congress to adopt legislation extending more adequate compensation benefits to displaced war workers. The council reminded the President that he himself had sponsored such legislation as a Senator.

In a further step to bolster the national economy, the council warned the National War Labor Board that the time is ripe to adjust wage rates to make up for the loss of overtime pay which American workers will suffer when war production is cut.

In the same statement, the council declared that events have justified the AFL's opposition to compulsory labor legislation. Despite defeat of such proposals in Congress, war production reached record height in March; the number of strikes, furthermore, manpower shortages have been eased throughout the country and several cities have been taken off the critical list.

"Most important of all," the council said, "voluntary labor in America has succeeded in backing up the victory forces on the fighting fronts with amazing success. Our armed forces have not lacked materials or equipment. In fact, the overwhelming superiority of their equipment has proved the decisive factor in winning the war in Europe and in turning the tide against Japan."

AFL President William Green announced that the entire membership of the Executive Council has been invited to a White House conference with President Truman.

He said the council will consider at its current meeting recommendations to be submitted to the United Nations Conference at San Francisco on the creation of an international organization to safeguard world peace.

The council will also take up for ratification the charter of labor-management cooperation recently drawn up by organized labor and the United States Chamber of Commerce.

BOILERMAKERS PROMOTE KEARNEY TO COUNCIL

Kansas City, Kans.—The Boilermakers Union announced the president, John V. Kearney, energetic former business representative of District 3 of the union on the Kansas City side of local lodge 316 in Newark, N. J. He will be in charge of the Allegheny section, with offices in Philadelphia.

President Charles J. MacGowan at headquarters here announced that Kearney had been appointed, with approval of the Executive Council, to fill the vacancy created when Vice President William J. Buckley was named to the post of secretary-treasurer following the death of William E. Walter.

Correction!

In the April 3 issue of this news service, several erroneous details were given in the story on the signing of an employe election at the Jordan Marsh Company, Boston, by the Retail Clerks International Protective Association, AFL. The facts are that this election was held under the supervision of the Massachusetts Labor Relations Commission, instead of the NLRB, and that the organization work was done by Fred A. Ammond, Jr., international organizer, assisted by Joan M. Corcoran, local union organizer.